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[ ] #1289

8 February 1967

REGISTERED

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Subject: [ ] Project 405B  
Request for Additional Funding

Gentlemen:

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[ ] finds it necessary at this time to request additional funding over and above the target value of the contract as originally stated. As of December 25, 1966, this contractor had expended [ ] as shown in the attached analysis. We estimate an additional [ ] will be required to complete the tasks as spelled out in the contract. Analysis of these costs is attached.

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As you are well aware, there has been a stability problem with respect to the interferometers provided on the subject contract as proprietary items. A very detailed and complex analysis was performed on the interferometers to determine the cause of the stability, and action has been taken to modify two of the interferometers to provide the performance necessary for the complete operation of the 405B system. The analysis to determine the cause of the stability problem with the interferometers and the actions necessary to correct the problem have been borne by this contractor. The additional funds requested herein are to cover the necessary activities to align the equipment at your facility, perform the necessary adjustments due to the equipment being moved, set up the equipment, and like activities. There is no cost included in our funding request for any interferometer modifications or previous actions with respect to the interferometers themselves.

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The quotation made and attached hereto is based upon the terms of the existing contract, which specify that the negotiated overhead rate shall be [ ] and negotiated G&A rate, 25%. This request for additional funds is made under the terms of the subject contract's Incentive Price Revision Clause (March 1964).

DECLASS REVIEW by NIMA/DOD

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GROUP 1  
EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND  
DECLASSIFICATION

CPFO #1289

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8 February 1967

As has been agreed between yourselves and [ ] we have modified one (1) each interferometer set delivered under subject contract and installed it on the 405AM machine. This machine has been delivered to your facility, and we understand it is performing satisfactorily. We have received contractual authority to transfer the two interferometers in question to the 405AM contract and, in turn, are awaiting contractual coverage to modify the interferometers originally delivered under Contract 405AM such that when completed they can be installed on the remaining 405B equipment. No action is being taken at this time to modify the two interferometers on the 405AM contract or the four sets of interferometers on the 405B contract until we receive notice from you that the solution to the stability problem has been demonstrated. This notice to proceed is expected within the next two weeks, and action will be taken immediately at our expense to modify the four sets under the 405B contract. We cannot proceed with the one set on the 405A contract until contractual coverage is provided.

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If we can provide any additional information, or if you wish to discuss the matter in greater detail, please do not hesitate to contact us.

Very truly yours,

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LHB/aw

Enc. (2) Cost Analyses

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